

HOUSE BILL No. 1772

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-13-16.5.

Synopsis: State contracting practices. Requires the governor's commission on minority business development to adopt as a goal that 7% of state contracts be awarded to minority business enterprises and that 5% of state contracts be awarded to women's business enterprises. (Under current law the commission is required to adopt as a goal that 5% of state contracts be awarded to minority business enterprises.) Requires the Indiana department of administration to conduct a biennial study to determine whether during the previously concluded state fiscal biennium the goals have been met. Requires the department to adopt rules to require that not fewer than 7% of state contracts be awarded to minority business enterprises and not fewer than 5% of

(Continued next page)

Effective: July 1, 1999.

Crawford

January 26, 1999, read first time and referred to Committee on Commerce and Economic Development.



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Digest Continued

state contracts be awarded to women's business enterprises if the goals have not been met. Requires the department to determine in the first study whether minority business enterprises and women's business enterprises have historically been excluded from the award of state contracts.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1772

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-13-16.5-1.3 IS ADDED TO THE INDIANA
- 2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 3 [EFFECTIVE JULY 1, 1999]: **Sec. 1.3. As used in this chapter,**
- 4 **"women's business enterprise" means a business that is one (1) of**
- 5 **the following:**
- 6 (1) **A sole proprietorship owned and controlled by a woman.**
- 7 (2) **A partnership or joint venture owned and controlled by**
- 8 **women in which:**
- 9 (A) **at least fifty-one percent (51%) of the ownership is**
- 10 **held by women; and**
- 11 (B) **the management and daily business operations of**
- 12 **which are controlled by at least one (1) of the women who**
- 13 **own the business.**
- 14 (3) **A corporation or other entity:**
- 15 (A) **whose management and daily business operations are**



1 controlled by at least one (1) of the women who own the
2 business; and

3 (B) that is at least fifty-one percent (51%) owned by
4 women, or if stock is issued, at least fifty-one percent
5 (51%) of the stock is owned by at least one (1) of the
6 women.

7 SECTION 2. IC 4-13-16.5-2 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) There is
9 established a fourteen (14) member governor's commission on minority
10 business development. The commission shall consist of the following
11 members:

12 (1) A governor's designee, who shall serve as chairman of the
13 commission.

14 (2) The commissioner of the Indiana department of transportation.

15 (3) The director of the department of commerce.

16 (4) The commissioner of the Indiana department of
17 administration.

18 (5) Six (6) individuals with demonstrated capabilities in business
19 and industry, especially racial minority business, appointed by the
20 governor from the following geographical areas of the state:

21 (A) Two (2) from the northern one-third (1/3) of the state.

22 (B) Two (2) from the central one-third (1/3) of the state.

23 (C) Two (2) from the southern one-third (1/3) of the state.

24 (6) Two (2) members of the house of representatives, no more
25 than one (1) from the same political party, appointed by the
26 speaker of the house of representatives to serve in a nonvoting
27 advisory capacity.

28 (7) Two (2) members of the senate, no more than one (1) from the
29 same political party, appointed by the president pro tempore of
30 the senate to serve in a nonvoting advisory capacity.

31 No more than four (4) of the seven (7) members appointed or
32 designated by the governor may be of the same political party.
33 Appointed members of the commission shall serve four (4) year terms.
34 A vacancy occurs if a legislative member leaves office for any reason.
35 Any vacancy on the commission shall be filled in the same manner as
36 the original appointment.

37 (b) Each member of the commission who is not a state employee is
38 entitled to the following:

39 (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

40 (2) Reimbursement for traveling expenses and other expenses
41 actually incurred in connection with the member's duties as
42 provided under IC 4-13-1-4 and in the state travel policies and



procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each legislative member of the commission is entitled to receive the same per diem, mileage, and travel allowances established by the legislative council and paid to members of the general assembly serving on interim study committees. The allowances specified in this subsection shall be paid by the legislative services agency from the amounts appropriated for that purpose.

(d) A member of the commission who is a state employee but who is not a member of the general assembly is not entitled to any of the following:

- (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
- (2) Reimbursement for traveling expenses as provided under IC 4-13-1-4.
- (3) Other expenses actually incurred in connection with the member's duties.

(e) The commission shall meet at least four (4) times each year and at other times as the chairman deems necessary.

(f) The duties of the commission shall include but not be limited to the following:

- (1) Identify minority businesses in the state.
- (2) Assess the needs of minority businesses.
- (3) Initiate aggressive programs to assist minority businesses in obtaining state contracts.
- (4) Give special publicity to procurement, bidding, and qualifying procedures.
- (5) Include minority businesses on solicitation mailing lists.
- (6) Define the duties, goals, and objectives of the deputy commissioner of the department of administration as created under this chapter to assure compliance by all state agencies with state and federal legislation and policy concerning the awarding of contracts to minority businesses.
- (7) Establish as ~~a goal~~ **goals the following:**
 - (A) That at least ~~five~~ **seven** percent (~~5%~~) (**7%**) of state contracts be ~~let awarded~~ **awarded** to ~~racial~~ minority ~~businesses~~ **business enterprises.**
 - (B) That at least **five** percent (**5%**) of state contracts be **awarded to women's business enterprises.**
- (8) Prepare a review of the commission and the various affected departments of government to be submitted to the governor and the legislative council on March 1 and October 1 of each year, evaluating progress made in the areas defined in this subsection.



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(g) The department of administration shall furnish administrative support and staff as is necessary for the effective operation of the commission.

SECTION 3. IC 4-13-16.5-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 4. (a) Before January 1 of even numbered years, the department of administration shall determine whether during the most recently completed two (2) year period ending the previous July 1, the following have occurred:**

(1) The goals set under section 2(f)(7) of this chapter have been met.

(2) If rules have been adopted under subsection (b), the requirements of the rules have been met.

(b) If the department determines that the goals set under section 2(f)(7) have not been met, the department shall adopt rules under IC 4-22-2 to require the following:

(1) That not fewer than seven percent (7%) of contracts awarded by the state be awarded to minority business enterprises.

(2) That not fewer than five percent (5%) of contracts awarded by the state be awarded to women's business enterprises.

The rules adopted by the department shall provide that if a business qualifies as both a minority business enterprise and a women's business enterprise, a contract awarded to the business shall be considered awarded to a minority business enterprise.

SECTION 4. [EFFECTIVE JULY 1, 1999] (a) Notwithstanding IC 4-13-16.5-4, as added by this act, the department shall determine the following in the first study conducted under IC 4-13-16.5-4, as added by this act:

(1) Whether minority business enterprises and women's business enterprises have historically been excluded from the award of state contracts.

(2) Whether during the period July 1, 1997, through June 30, 1999:

(A) fewer than seven percent (7%) of contracts awarded by the state have been awarded to minority business enterprises; and

(B) fewer than five percent (5%) of contracts awarded by the state have been awarded to women's business enterprises.

For purposes of this subsection, if a business qualifies as both a



1 minority business enterprise and a women's business enterprise, a
2 contract awarded to the business shall be considered awarded to a
3 minority business enterprise.

4 (b) If the department determines that both subsection (a)(1) and
5 (a)(2) apply, the department shall adopt the rules required by
6 IC 4-13-16.5-4, as added by this act.

7 (c) A study begun by the department before July 1, 1999, that
8 considers substantially the same issues described in subsection (a)
9 satisfies this SECTION.

10 (d) This SECTION expires January 1, 2002.

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